

risk portion of the contract takes effect.

(2) *Conversion based on enrollee's request.* A nonrisk Medicare enrollee requests, using a form identical or similar to the form described in paragraph (c)(1) of this section, that he or she be covered under the risk portion of the contract.

(d) *Notification.* An HMO or CMP converting from a cost contract to a risk contract must, within 60 days of signing the risk contract, inform nonrisk enrollees of their right to remain nonrisk Medicare enrollees or to convert to risk enrollment at any time in accordance with paragraph (c)(2) of this section.

[58 FR 38073, July 15, 1993]

**§ 417.446 [Reserved]**

**§ 417.448 Restriction on payments for services received by Medicare enrollees of risk HMOs or CMPs.**

(a) *Basic rule.* Except for emergency and urgently needed services as defined in § 417.401, risk HMOs or CMPs are not required to make payments to or on behalf of certain Medicare enrollees, for any services received by the enrollees that are not provided—

- (1) Directly by the HMO or CMP; or
- (2) Through arrangements made by the HMO or CMP.

(b) *Application.* The restriction on payments for services imposed by paragraph (a) of this section applies to services received by—

- (1) New Medicare enrollees;
- (2) Nonrisk Medicare enrollees who convert to risk reimbursement; and
- (3) Nonrisk Medicare enrollees who elect special supplemental benefit plans.

(c) *End of restriction.* The restriction of payments imposed by paragraph (a) of this section ends when a Medicare enrollee leaves the HMO's or CMP's geographic area for an extended period as defined in § 417.460(a)(2) and the HMO or CMP and the enrollee make arrangements for enrollment to continue as provided in § 417.460(a)(2)(iv).

(d) *Timing.* The effective date for the end of the restriction on payments, as discussed in paragraph (c) of this section is the first day of the first month following the month in which the en-

rollee notifies the HMO or CMP as required in § 417.436(a)(9), that he or she has left the HMO's or CMP's geographic area for an extended period.

[51 FR 28573, Aug. 8, 1986, as amended at 56 FR 46571, Sept. 13, 1991; 58 FR 38079, July 15, 1993]

**§ 417.450 Effective date of coverage.**

(a) *Basic rules.* Except as specified in paragraph (b) of this section, and notwithstanding the provisions of § 417.440(d).

(1) HCFA's liability for payments to an HMO or CMP on behalf of a Medicare beneficiary begins on the first day of the month in which he or she is—

- (i) Entitled to Medicare benefits; and
- (ii) Enrolled in an HMO or CMP; and

(2) The effective month of coverage may not be earlier than the first month after, nor later than the third month after the month in which HCFA receives the information necessary to include the beneficiary as a Medicare enrollee of the HMO or CMP in HCFA records.

(b) *Exceptions.* (1) HCFA may approve a later month if it is requested by the HMO or CMP and the beneficiary.

(2) If an individual becomes an HMO or CMP enrollee before becoming entitled to Medicare Part B benefits, the effective month of coverage is the first month for which he or she becomes entitled to Medicare Part B benefits.

(c) *Notice of effective date of coverage.* For each beneficiary added to HCFA's records as an enrollee of an HMO or CMP, HCFA gives the HMO or CMP prompt written notice of the month with which HCFA's liability begins.

[50 FR 1346, Jan. 10, 1985, as amended at 52 FR 8901, Mar. 20, 1987; 58 FR 38079, July 15, 1993; 60 FR 45678, Sept. 1, 1995]

**§ 417.452 Liability of Medicare enrollees.**

(a) *Deductibles and coinsurance.* (1) A Medicare enrollee of an HMO or CMP is responsible for applicable Medicare deductible and coinsurance amounts, unless the HMO's or CMP's charges for these amounts are reduced under the additional benefits provision of § 417.442.

(2) The deductible and coinsurance amounts may be paid by or on behalf of the enrollee in the form of a premium,